

1. Match the key terms with their correct definitions or explanations in the table below. One has been done for you.

A Effective demand

B Joint demand

C Excess demand

D Excess supply

E Substitutes

F Market equilibrium

G Complement

H Market supply

I Price elastic supply

J Price inelastic demand

K Supply

L Market demand

M Price elasticity of demand

N Price elasticity of supply

Definition or explanation	Key term
An economic situation in which a market is in disequilibrium because product supply exceeds demand for it. As a result, there will be pressure on the product price to fall	D
The sum of individual consumer demands for a given product	
Products that compete to satisfy the same consumer demand, such as butter and margarine or tea and coffee	
Demand is relatively price insensitive. A small percentage change in the price of the product will result in a smaller percentage change in the quantity demanded	
The responsiveness of the supply of a product to a change in its price	
The willingness and ability of consumers to buy a product	
An economic situation in which a market is in disequilibrium because product demand exceeds its supply. There will be upward pressure on the product price	
The sum of supply decisions by all the firms producing a given product	
When the demand for two or more products is related because they are consumed together, for example razors and razor blades or cartridges	
Supply is highly price sensitive. A small percentage change in the price of a product will cause a far greater percentage change in the quantity supplied	
An economic situation in which the market demand for a product is exactly equal to its market supply. As there is neither a surplus or shortage of the product, the market price tends to be stable in this situation	
A good or service that is in joint demand with another, for example, cars and petrol	
The desire and ability of producers to make and sell a given product	
The responsiveness of consumer demand for a product to a change in its price	